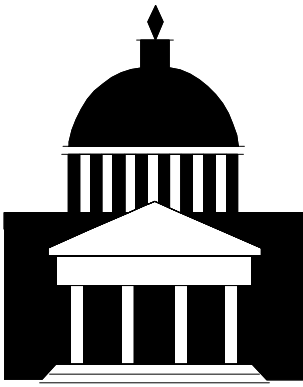


NJCFS Newsletter

OFFICE OF MANAGEMENT AND BUDGET

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DATE CHANGES FOR RENEWALS OF OFF-LINE ACCOUNTS

Circular Letter 96-08-OMB, "Petty Cash Funds" and Circular letter 96-10-OMB, "Special and Confidential Funds", require that all Petty Cash, Special, and Confidential Funds be reauthorized annually. The Accounting Operations Unit within OMB's Accounting Bureau administers the renewal process for reauthorizing these accounts.

After an extensive review of the renewal process, OMB has changed the renewal period for the reauthorization of all Petty Cash, Special, and Confidential Funds. In the past, the renewal process took place during the last two months of the fiscal year. In order to reduce the burden that is placed on agencies during the fiscal year-end closing, the renewal period has been changed to March and April each year. Renewal packages for fiscal year 2003 were mailed on March 1, 2002.

All renewal packages must be returned to OMB no later than April 16, 2002. All forms contained in the renewal package must be filled out completely. Any missing information will delay the reauthorization of a fund, which may result in the suspension of reimbursements. Requests to increase the authorized amount of a fund should not be addressed as a part of the reauthorization process; instead, all requests for increases should be submitted under separate cover.

Questions concerning the renewal process for these off-line accounts should be directed to the Accounting Operations Unit.

Petty Cash inquiries should be directed to Michael Bell at (609)292-4826; Special and Confidential Fund inquiries should go to Carolyn Novak at (609)777-3724.

NEW TRAVEL POLICY

The Office of the Governor has announced a restriction on all out-of-state travel, including travel to the Washington, DC metropolitan area. Requests for exemption from the restriction must be submitted to the Office of the Deputy Chief of Staff for Management and Operations until further notice. Requests for staff to participate in out-of-state travel events and any issues related to out-of-state travel events should be addressed to the following individuals in the Governor's Office:

Kellie Drakeford, Deputy Chief of Staff for Management and Operations or her assistant, **Diane Roskos**. Ms. Roskos can be reached at the following numbers:

Telephone—(609) 777-2563

Fax – (609) 777-4081

The approval of the Director of the Office of Management and Budget (OMB) continues to be required for events in which agencies wish more than five employees to participate. In those cases involving out-of-state travel, requests should be submitted to OMB after the approval of the Governor's Office has been obtained. These requests should be in accordance with the provisions of Circular Letter 01-08-OMB and should be accompanied by documentation reflecting the approval of the Governor's Office.

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FEDERAL GRANT PROCESSING

Agencies are reminded that they must process reducing Federal Master (FM) transactions when the federal government reduces federal spending authority or permits the carry-forward of unobligated funds from a prior budget period. Agencies must also submit a memo in accordance with Circular Letter 95-19-OMB, requesting that OMB revert the excess authority.

Circular Letter 95-19-OMB states that agencies must submit a federal grant award, including start/end dates of the project, amount of funding, a brief description of the project, and a signature from the federal agency authorizing the project. Agencies are also required to provide a breakdown of projected expenditures for the funding amount approved by the federal government.

In cases where expenditures related to a federal grant have been incorrectly charged to either a State or federal account, it is the agency's responsibility to process the appropriate transactions to ensure that all expenditures are accurately reflected within the Grants Module and State appropriations. To accomplish this, the appropriate adjusting transactions should be processed by agencies in a timely manner, always within the fiscal year in which the expenditure occurred.



COMPLIANCE WITH INTER-AGENCY AGREEMENTS

Agencies that authorize a memorandum of agreement with a conduit State agency must satisfy all of the requirements stated in the memorandum of agreement. It is especially important that required reports be submitted to the conduit agency on a timely basis. Delays in reporting prohibit the conduit agency from submitting the final status report to the federal funding agency and delays the drawing down of federal funds to cover program expenses.

FEDERAL GRANT REFERRAL—AGENCY CONTACT

The Office of Management and Budget (OMB) continues to monitor the Federal Register to identify all available federal grant opportunities for which State agencies may be eligible to apply. When a new funding opportunity is identified, OMB forwards the notice to a contact individual at the affected agency. This person is required to respond to OMB as to whether the agency will pursue the grant opportunity.

It is the responsibility of all agencies to ensure that OMB has the most current information as to the identity of the contact person designated to review and respond to federal grant referral notifications. All updates to contact information, as well as any questions concerning the federal grant referral process, should be directed to Jackie Rawls at (609) 292-3549.

State agencies should ensure that contact individuals for the federal grant referral process are properly identified and that contact data is kept current.

GRANTEE SINGLE AUDIT SYSTEM IMPLEMENTED

OMB has implemented a new online, real-time Grantee Single Audit System (GSA). This system allows users to monitor compliance with federal and State single audit requirements, expedites the identification and follow-up of grantees not in compliance with these requirements and eliminates paperwork. Questions concerning the GSA System should be directed to Bob Lazzara at (609)984-1536 or by e-mail to robert.lazzara@treas.state.nj.us.

TORT CLAIMS AND CLAIMS FOR INDEMNIFICATION

When State agencies pay a settlement or award from their appropriation accounts, they must ensure that a Form W-9 is completed by the payee if the payment is considered taxable. In general, all punitive damages are taxable and compensatory damages are taxable unless related to a physical injury. Also, all payments of back pay are taxable.

In accordance with NJSA 59:11-1, payments of tort claims or claims for indemnification must be recommended by the Attorney General and, if in excess of \$7,500, must be approved by the Director of Budget and Accounting (now the Director of the Office of Management and Budget). Back pay payments must be processed through OMB's Centralized Payroll Section.

A Treasury circular letter will be issued soon to offer further guidance on this issue. Questions concerning this subject should be directed to John Ditri at (609) 292-8938 or john.ditri@treas.state.nj.us.

ACCOUNTING BUREAU CHANGES

The "Accounting Operations" and "Grants Analysis and Audit Compliance" Sections within OMB's Accounting Bureau have been merged. The succeeding unit is called "Accounting Operations"; John Ditri is the Supervisor of the newly combined unit. Patricia Fatatis is the Supervisor for the Budgetary Control Section and William Maughan is the Supervisor for the Grants Analysis Section.

QUESTIONS AND ANSWERS

- Q. At fiscal year end, open travel pre-encumbrances (TE/TH) are converted to Agency Orders (AO). The AO is based on the employee ID as vendor number and, therefore, cannot be used to pay any other vendors. How can I pay a vendor other than the employee in the new fiscal year, using the money obligated by the AO?
- A. The correct way to proceed under these circumstances is to re-activate the travel pre-encumbrance (TE/TH) by canceling the AO while referencing the TE/TH transaction number. This will re-open the TE/TH and permit payments against the remaining balances to vendors other than the employee. Because OMB monitors NJCFS to cancel open prior fiscal year pre-encumbrances, it is imperative that any such payments be processed as soon as the pre-encumbrance is re-activated to avoid cancellation.



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www.state.nj.us/treasury/omb/